

Income/Franchise:

Alabama: Proposed Rule Changes Reflect Move from Double-Weighted to Single Sales Factor

Proposed Amended Reg. Section 810-27-1-.09; Notice of Intended Action: Rule 810-27-1-.09 – Apportionment Formula: Double Weighting the Sales Factor, Ala. Dept. of Rev. (9/30/21). The Alabama Department of Revenue proposed rule changes reflecting legislation enacted earlier this year [see H.B. 170 (2021) and previously issued Multistate Tax Alert for more details on this new law] that, effective for periods beginning on or after January 1, 2021, moves from a three-factor double-weighted sales apportionment formula to a single-sales factor formula for state corporate income tax purposes. Alabama’s enacted legislation also eliminates Alabama’s “throwback” rule for purposes of computing the sales factor. A virtual public hearing on the proposed rule changes is scheduled for November 9, 2021, and any written comments are due on the same date. Please contact us with any questions.

URL: <https://revenue.alabama.gov/wp-content/uploads/2017/05/810-27-1-.09.pdf>

URL: <http://www.alabamaadministrativecode.state.al.us/UpdatedMonthly/AAM-SEPT-21/AAM-SEPT-21.htm>

URL: <https://legiscan.com/AL/text/HB170/id/2289380>

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-alabama-passes-wide-ranging-tax-legislation-addressing-the-cares-act-and-federal-covid-relief.pdf>

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